

December 12, 2012

ITEM NO. B3

AUTHORIZATION TO ENTER INTO A ONE (1) YEAR CONTRACT WITH ORACLE CORPORATION FOR RENEWAL OF SUPPORT AND MAINTENANCE SERVICES

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners ("Board") authorizes the Chief Executive Officer or his designee to enter into a one (1) year contract with Oracle Corporation for the renewal of support and maintenance services of Oracle database software, Oracle Business Intelligence software and Primavera software for the period of January 1, 2013 through December 31, 2013, in an amount not-to-exceed \$239,282.18.

The Executive Vice President ("EVP") of Finance, the Office of the General Counsel and the Office of Procurement have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL: Streamlining Operations to make CHA more customer Focused and Efficient.

FUNDING: General Fund

SOLICITATION SUMMARY

Vendor: Oracle Corporation
233 S. Wacker, Floor 45
Chicago, IL 60606

Contract Type: Fixed Rate/Schedule (Maintenance & Support Renewal)
Contract Term: January 1, 2012 through December 31, 2012
Contract Amount: \$239,282.18 (Not-to-Exceed)
Option Period: None

M/W/DBE Participation: Pending

Direct:
MBE ___% WBE ___% DBE ___%

Indirect:
MBE ___% WBE ___% DBE ___%
Waiver: ___ (Yes/No)

Section 3: Pending

Hiring ___ (#) Subcontracting ___ (\$) Other Economic Opportunities ___ (\$)

GENERAL BACKGROUND

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

To support the Plan for Transformation and the process of relocating the Chicago Housing Authority ("CHA") families, the CHA's Information Technology Services Department ("ITS") developed and implemented numerous applications based on an Oracle centralized database. This provides the CHA with access to reliable data on a real-time basis to support executive decision making. Among the many CHA systems and applications that rely upon Oracle databases and other applications, the CHA developed the Resident Management Tracking System ("RMTS"), which tracks and manages residents as they move in and out of their temporary housing, or into their new permanent housing. Two additional core CHA applications that also utilize the Oracle databases and systems are the Housing Offer Program ("HOP") and Yardi Systems. Prudent business practices dictate having maintenance agreements established on all essential software applications. The Oracle maintenance and support agreement is necessary to provide access to product enhancements, upgrades and updates for supported products, as well as telephone and electronic support from Oracle's qualified product technicians.

In June of 2001, ITS purchased Oracle products to replace the legacy systems and to serve as the core database platform for CHA applications. At the time CHA purchased Oracle database systems, maintenance costs and services were negotiated in the agreement and were provided for the first year. Support and maintenance services for the software products have been continuously provided directly to the CHA from Oracle for each of the subsequent years since the initial purchase of the Oracle database products on a sole-source basis. Product support, enhancements, upgrades and updates are available only from Oracle. Given Oracle's status as the developer, licensor and owner of the database software (and the exclusive provider of comprehensive support and maintenance services), the software maintenance and support services were originally procured from Oracle on a sole-source basis. The same prevailing terms and conditions have remained substantially in effect since the original acquisition of Oracle database software, subject only to periodic updates and revisions to Oracle's standard terms and conditions applicable to all customers of its maintenance and support services.

As the result of the CHA's periodic additions or modifications to the schedule of supported software systems and products licensed by Oracle, the CHA's maintenance coverage requirements were subject to different coverage periods and renewal dates. Consequently, the CHA previously determined it would be in its best interest to consolidate maintenance and support arrangements for multiple Oracle systems into a single agreement, and administer support and maintenance for all Oracle systems on a common fiscal year basis.

Due to the continuing reliance of CHA's technology operations upon the Oracle software platforms, ITS is seeking to renew maintenance and support services for a one (1) year period with Oracle Corporation for support and maintenance of the following systems and applications: Oracle Database, Primavera, and Oracle Data Warehouse.

The EVP of Finance concurs with the recommendation to enter into a one (1) year contract with Oracle Corporation for the renewal of support and maintenance services for Oracle database software, Oracle Business Intelligence software and Primavera software for the period of January 1, 2013 through December 31, 2013, in an amount not-to-exceed \$239,282.18.

The CEO/President recommends the approval to enter into a one (1) year contract with Oracle Corporation for the renewal of support and maintenance services for Oracle database software, Oracle Business Intelligence software and Primavera software for the period of January 1, 2013 through December 31, 2013, in an amount not-to-exceed \$239,282.18.

RESOLUTION NO. 2012-CHA-106

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated December 12, 2012 titled **“AUTHORIZATION TO ENTER INTO A ONE (1) YEAR CONTRACT WITH ORACLE CORPORATION FOR RENEWAL OF SUPPORT AND MAINTENANCE SERVICES”**.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to enter into a one (1) year contract with Oracle Corporation for the renewal of support and maintenance services for Oracle database software, Oracle Business Intelligence software and Primavera software, for the period of January 1, 2013 through December 31, 2013, in an amount not-to-exceed \$239,282.18.

These awards are subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

